



**To:** Members of the House Appropriations Committee  
**From:** Jim Holcomb, Vice President of Business Advocacy  
**Date:** May 20, 2009

### COMMITTEE TESTIMONY

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Michigan is certainly facing many economic challenges, and during this time of great uncertainty, the Michigan Chamber of Commerce appreciates that Chairman Cushingberry and this committee are seeking solutions to Michigan's structural deficit. It is clear that there are no easy answers, and the task before you is daunting.

At the Chairman's invitation, I am providing testimony today on behalf of the Michigan Chamber's 7,100 member firms that provide jobs to approximately 1.8 million Michigan residents. The Michigan Chamber is a member-driven organization. Our policy positions are developed through a committee process and formally adopted by our Board of Directors. In total, this process involves more than 350 business leaders across the state. After our Board adopts policy positions, the Michigan Chamber's Business Advocacy Team is responsible for communicating these positions to policymakers, the general public and the media.

With regard to budgetary issues, Michigan Chamber members have a strong belief that the best way to improve Michigan's economic competitiveness is to reduce state government spending, not raise taxes. It is the sincere hope of our members that policymakers will realize the strain already placed on businesses in this state, and work to foster economic growth through sound public policy.

In general, the Michigan Chamber does not engage in a line-by-line lobbying effort as related to budget bills; rather, we acknowledge that specific decisions regarding the appropriation of state funds rest with legislators. Our advocacy efforts focus on communicating broad policy premises that we hope will guide policymakers during their decision making process. To this end, the budgetary policy statements below were formally adopted by our Board of Directors for the 2009-2010 legislative session:

- The appropriations process should not drive tax policy decisions.
- We oppose tax or fee increases to balance the state budget.
- We support efforts to improve government operational effectiveness.
- We advocate legislative oversight of state spending and user fees. We are opposed to constitutional or statutorily authorized automatic annual increases in state spending and user fees.
- We support a state constitutional amendment to cap total state spending at not more than 96% of total estimated revenues.

Thank you for the opportunity to provide this testimony today and to share the positions of the Michigan Chamber of Commerce. The work you are undertaking to craft a budget for the 2009-2010 fiscal year is central to setting the stage for Michigan's economic recovery. We thank you for your efforts and ask, in your deliberations, that you please be mindful of the impact your decisions will have on job providers across the state, and their ability to contribute to moving Michigan forward.